



04039094

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM SE

FORM FOR SUBMISSION OF PAPER FORMAT EXHIBITS

BY ELECTRONIC FILERS

Hauser, Inc.

Exact Name of Registrant as Specified in Charter

0000773723

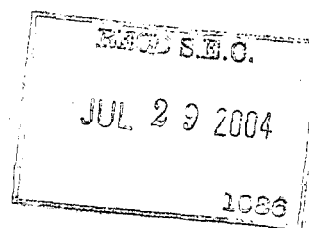
Registrant CIK Number

Form 8-K FOR 7-29-04

Electronic Report, Schedule or Registration
Statement of Which the Documents Are a Part
(give period of report)

0-17174

SEC File Number, if available



PROCESSED


JUL 30 2004

THOMSON
FINANCIAL

SIGNATURES

The Registrant has duly caused this form to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of El Segundo, State of California on the ____ day of _____ 2004.

HAUSER, INC.

By: 
Name: Kenneth C. Cleveland
Title: President and Chief Executive Officer

**IN ACCORDANCE WITH RULE 202 OF REGULATION S-T, THIS MONTHLY
OPERATING REPORT FOR THE MONTH ENDED JUNE 30, 2004 IS BEING FILED
IN PAPER FORMAT PURSUANT TO A CONTINUING HARDSHIP EXEMPTION**

**MONTHLY OPERATING REPORT
FOR THE MONTH ENDED JUNE 30, 2004
OF**

**HAUSER, INC. AND ITS WHOLLY OWNED SUBSIDIARIES BOTANICALS
INTERNATIONAL EXTRACTS, INC., HAUSER TECHNICAL SERVICES, INC. AND
ZETAPHARM, INC.**

Office of the United States Trustee

Chapter 11 Case No:	LA 03-18795-BB	Debtor
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For the period-

FROM: 6/1/2004
TO: 6/30/2004

H. Depositories		Depository Name	Depository Location	Account Number
(1) General Account		Wells Fargo Bank - Los Angeles, CA		4945 063790
(3) Trust Account		Wells Fargo Bank - Los Angeles, CA		883-6148216
(4) Tax Account		none		

Type	Location	
Petty Cash	San Marino, CA	not to exceed \$100
Petty Cash	Denver, CO	not to exceed \$250

I, (Print Name:) Thomas W. Hanlon, Chief Financial Officer, declare under penalty of perjury that the information contained in the above Debtor in Possession Interim Statement is true and complete to the best of my knowledge.

Dated: July 6, 2004

Debtor In Possession or Trustee Signature
Chief Financial Officer

Office of the United States Trustee

In re: Hauser, Inc.
A Delaware Corporation

Debtor
Chapter 11 Case No: LA 03-18795-BB

Debtor In Possession Interim Statement
Statement Number: 15
For the period-
FROM: 6/1/2004
TO: 6/30/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
	See attached			97,048		
TOTAL DISBURSEMENTS on this page: (Total will automatically carry to p1)				97,048		

Hauser, Inc.
Debtor In Possession Interim Statement #15
June 1 to June 30, 2004
Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
1	6/2/2004	AICCO	5,106		5,106	HTS General Liability Pmt, June	Insurance
2	6/2/2004	CIT	700		700	Buy Out Computer Lease	All Other Expenses
3	6/2/2004	J. E. FADLEY	2,930		2,930	Management Consulting Services	Payroll
4	6/2/2004	JEAN PAULSON-KISLESKY	600		600	HR Consulting	Payroll
5	6/2/2004	KATHLEEN ATKINSON	875		875	Accounting Consulting	Payroll
6	6/2/2004	KATHLEEN ATKINSON	58		58	Expense Reimbursement	All Other Expenses
7	6/2/2004	KENNETH CLEVELAND ASSOCIATES	4,000		4,000	Executive Management Services	Payroll
8	6/2/2004	ROBERT BUCK	469		469	Accounting Consulting	Payroll
9	6/2/2004	THOMAS HANLON	70		70	Expense Reimbursement	All Other Expenses
10	6/2/2004	THOMAS HANLON ASSOCIATES	2,704		2,704	Executive Management Services	Payroll
11	6/2/2004	ACORDIA	6,734		6,734	Property Insurance, 6/1/04-6/1/05	Insurance
12	6/2/2004	DUANE COWGER	200		200	IT Consulting	Payroll
13	6/2/2004	HTS	3,071		3,071	Salary reimb for A. Flick, May	All Other Expenses
14	6/2/2004	IRON MOUNTAIN	37		37	Carlton Retrieval	All Other Expenses
15	6/2/2004	J. E. FADLEY	2,930		2,930	Management Consulting Services	Payroll
16	6/2/2004	JEAN PAULSON-KISLESKY	525		525	HR consulting	Payroll
17	6/2/2004	JEFF FADLEY	116		116	Expense Reimbursement	All Other Expenses
18	6/2/2004	KATHLEEN ATKINSON	814		814	Accounting Consulting	Payroll
19	6/2/2004	KENNETH CLEVELAND ASSOCIATES	4,000		4,000	Executive Management Services	Payroll
20	6/2/2004	ROBERT BUCK	281		281	Accounting Consulting	Payroll
21	6/2/2004	THOMAS HANLON ASSOCIATES	2,704		2,704	Executive Management Services	Payroll
22	6/2/2004	CBT INTERNATIONAL, INC		3,433	3,433	BIE Trucking & Demurrage	Inventory
23	6/10/2004	FRANCHISE TAX BOARD	1,600		1,600	CA Tax Extension Filing	All Other Expenses
24	6/10/2004	NYS CORPORATION TAX	1,223		1,223	NY Tax Extension Filing	All Other Expenses
25	6/10/2004	OREGON DEPARTMENT OF REVENUE	10		10	OR Tax Extension Filing	All Other Expenses
26	6/10/2004	SC DEPARTMENT OF REVENUE	25		25	SC Tax Extension Filing	All Other Expenses
27	6/10/2004	STATE OF NEW JERSEY	550		550	NJ Tax Extension Filing	All Other Expenses
28	6/16/2004	AT&T	49		49	Cell Phone for R Buck	All Other Expenses
29	6/16/2004	COMPUTERSHARE	2,087		2,087	Stock Transfer Services	All Other Expenses
30	6/16/2004	VOID	-		-	Void	Void
31	6/16/2004	J. E. FADLEY	2,930		2,930	Management Consulting Services	Payroll
32	6/16/2004	JEAN PAULSON-KISLESKY	638		638	HR consulting	Payroll
33	6/16/2004	JEFF FADLEY	194		194	Expense Reimbursement	All Other Expenses
34	6/16/2004	KATHLEEN ATKINSON	1,103		1,103	Accounting Consulting	Payroll
35	6/16/2004	KATHLEEN ATKINSON	76		76	Expense Reimbursement	All Other Expenses
36	6/16/2004	KENNETH CLEVELAND ASSOCIATES	4,000		4,000	Executive Management Services	Payroll
37	6/16/2004	ROBERT BUCK	1,125		1,125	Accounting Consulting	Payroll
38	6/16/2004	THOMAS HANLON ASSOCIATES	2,704		2,704	Executive Management Services	Payroll
39	6/16/2004	IRON MOUNTAIN	75		75	June Storage Charges	All Other Expenses
40	6/23/2004	DUANE COWGER	300		300	IT Consulting	Payroll
41	6/23/2004	J. E. FADLEY	2,930		2,930	Management Consulting Services	Payroll
42	6/23/2004	JEAN PAULSON-KISLESKY	675		675	HR consulting	Payroll

Debtor In Possession Interim Statement #15

June 1 to June 30, 2004

Detail Sheet F; Cash Disbursements

Check No.	Check Date	Vendor Name	Hauser	BIE	Amount	Description	Category
43	6/23/2004	KATHLEEN ATKINSON	1,549		1,549	Accounting Consulting	Payroll
44	6/23/2004	KENNETH CLEVELAND ASSOCIATES	4,000		4,000	Executive Management Services	Payroll
45	6/23/2004	ROBERT BUCK	356		356	Accounting Consulting	Payroll
46	6/23/2004	ROBERT BUCK	7		7	Expense Reimbursement	All Other Expenses
47	6/23/2004	THOMAS HANLON ASSOCIATES	2,704		2,704	Executive Management Services	Payroll
48	6/30/2004	AICCO	5,106		5,106	HTS General Liability Pmt, July	Insurance
49	6/30/2004	AICCO	3,081		3,081	Property Insurance, July	Insurance
50	6/30/2004	BAY 4 CAPITAL	1,000		1,000	Phone Equip Lease	All Other Expenses
51	6/30/2004	DUANE COWGER	400		400	IT Consulting	Payroll
52	6/30/2004	HTS	3,623		3,623	Salary Reimb for A Flick, June	All Other Expenses
53	6/30/2004	J. E. FADLEY	2,930		2,930	Management Consulting Services	Payroll
54	6/30/2004	JEAN PAULSON-KISLESKY	225		225	HR consulting	Payroll
55	6/30/2004	KATHLEEN ATKINSON	1,146		1,146	Accounting Consulting	Payroll
56	6/30/2004	KATHLEEN ATKINSON	136		136	Expense Reimbursement	All Other Expenses
57	6/30/2004	KENNETH CLEVELAND ASSOCIATES	3,000		3,000	Executive Management Services	Payroll
58	6/30/2004	PITNEY BOWES	132		132	Postage Meter	All Other Expenses
59	6/30/2004	ROBERT BUCK	356		356	Accounting Consulting	Payroll
60	6/30/2004	THOMAS HANLON	19		19	Expense Reimbursement	All Other Expenses
61	6/30/2004	THOMAS HANLON ASSOCIATES	2,000		2,000	Executive Management Services	Payroll
62	ED0608	UNITED PARCEL SERVICE	50		50	Shipping	All Other Expenses
63	ED0611	UNITED PARCEL SERVICE	29		29	Shipping	All Other Expenses
64	ED0618	UNITED PARCEL SERVICE	56		56	Shipping	All Other Expenses
65	ED0621	WELLS FARGO	460		460	Bank Service Charge, June	All Other Expenses
66	ED0625	UNITED PARCEL SERVICE	32		32	Shipping	All Other Expenses
			93,616	3,433	97,048		

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Debtor
Chapter 11 Case No: LA 03-18798-BB

Debtor in Possession Interim Statement

Statement Number: 15

For the period-

FROM: June 1, 2004
TO: June 30, 2004

CASH ACTIVITY ANALYSIS (Cash Basis Only)	General Account	Payroll Account	Tax Account
A. Total Receipts per all Prior Interim Statements	5,767,689	-	-
B. Less: Total Disbursements per all Prior Statements	5,680,793	-	-
C. Beginning Balance (A less B)	86,896		
D. Receipts during Current Period (Describe each receipt; Attach Separate Listing if Necessary)			
6-01-04 - Customer Receipts	15,568		
6-04-04 - Transfer from Hauser	55,000		
6-09-04 - Customer Receipts	23,831		
6-15-04 - Customer Receipts	9,263		
6-15-04 - Customer Receipts	24,923		
6-16-04 - Customer Receipts	7,362		
6-17-04 - Customer Receipts	33,236		
6-18-04 - Customer Receipts	4,117		
6-22-04 - Customer Receipts	1,256		
6-22-04 - Customer Receipts	37,321		
From Detail Sheet "D"			
TOTAL RECEIPTS THIS PERIOD (D):	211,875		
E. Balance Available (C plus D)	298,771		
F. Less: Disbursements during Current Period (Describe "date", "Check#", "Payee/Purpose"; Attach separate listing if needed)			
From Detail Sheet "F"	283,905		
TOTAL DISBURSEMENTS THIS PERIOD (F):	283,905		
G. Ending Balance (E less F)	14,867		

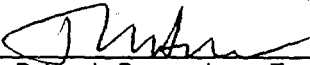
H. Depositories	Depository Name	Depository Location	Account Number
(1) General Account	Wells Fargo Bank - Los Angeles, CA		4945 063840
(2) Payroll Account	Wells Fargo Bank - Los Angeles, CA		4945 086361
(3) Tax Account	none		

I. Other monies on hand (Specify type and location) (i.e. Certificates of Deposit, Petty Cash):

Type	Location	
Petty Cash	Denver, CO	Not to exceed \$1,000

I, (Print Name:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Interim Statement is true and complete to the best of my knowledge.

Dated: July 6, 2004


Debtor In Possession or Trustee Signature
Secretary / Treasurer

A Delaware Corporation

Debtor

Chapter 11 Case No:

LA 03-18798-BB

Statement Number:

15

For the period-

FROM:

June 1, 2004

TO:

June 30, 2004

H. Depositories	Depository Name	Depository Location	Account Number
(1) General Account	Wells Fargo Bank - Los Angeles, CA		4945 063840
(2) Payroll Account	Wells Fargo Bank - Los Angeles, CA		4945 086361
(3) Tax Account	none		

1. Other monies on hand (Specify type and location) (i.e. Certificates of Deposit, Petty Cash):

Type	Location	Amount
Petty Cash	Denver, CO	Not to exceed \$1,000

I, (Print Name:) Thomas W. Hahlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Interim Statement is true and complete to the best of my knowledge.

Dated: July 6, 2004

Trish

Debtor In Possession or Trustee Signature
Secretary / Treasurer

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Interim Statement
Statement Number: 15

For the period:

FROM: 6/1/2004
TO: 6/30/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
6/2/2004	12649	Aetna (Dental)	June Dental Premium	3,001		
6/2/2004	12650	Agilent Technologies	Other	73		
6/2/2004	12651	Airgas Dry Ice	Other	253		
6/2/2004	12652	Allen Scientific Glass, Inc.	Other	98		
6/2/2004	12653	Aramark	Other	65		
6/2/2004	12654	AT&T Wireless Services	Other	90		
6/2/2004	12655	Ben Hughes	Mileage Reimbursement	113		
6/2/2004	12656	Biopharma Compliance Services, LLC	Contract Project Services	3,040		
6/2/2004	12657	Cambrex Bio-Science Walkerville, Inc.	Other	312		
6/2/2004	12658	CDS Analytical, Inc	Other	165		
6/2/2004	12659	Clean Harbors Env. Services	Haz-Waste Disposal Services	10,929		
6/2/2004	12660	Cole-Palmer Instrument Co.	Other	115		
6/2/2004	12661	Federal Express	Shipping & Freight	862		
6/2/2004	12662	Fred Pfeiffer	Mileage Reimbursement	23		
6/2/2004	12663	Honeywell International, Inc.	Other	353		
6/2/2004	12664	Iron Mountain	Other	118		
6/2/2004	12665	Janelle Bailey	Mileage Reimbursement	19		
6/2/2004	12666	Jeff Riegel	Equipment for project/Mileage	717		
6/2/2004	12667	Jeff Zadrozny	Lunch for visitors/Gas for Van	58		
6/2/2004	12668	Jefferson Pilot Financial Insurance Co.	June Life Insurance Premium	790		
6/2/2004	12669	Laboratory Supply Distributors, Corp.	Other	149		
6/2/2004	12670	Linweld, Inc.	Other	270		
6/2/2004	12671	McGuckin Hardware, Inc.	Other	180		
6/2/2004	12672	Mtech	Monthly Service Contract/repair	1,377		
6/2/2004	12673	North Pecos Water & Sanitation	Other	16		
6/2/2004	12674	Omega Engineering, Inc.	Other	279		
6/2/2004	12675	Orkin Exterminating	Other	333		
6/2/2004	12676	Pure Water Solutions, Inc.	Other	451		
6/2/2004	12677	Qwest - 922B (was 612B)	Other	47		
6/2/2004	12678	Qwest 231B	Phone Service	938		
6/2/2004	12679	Restek Corporation	Other	151		
6/2/2004	12680	RockyNet.com, Inc.	Clear Creek T1 for internet	900		
6/2/2004	12681	Scientific Notebook	Other	262		
6/2/2004	12682	Service Uniform Rental - DV	Other	108		
6/2/2004	12683	Sigma-Aldrich	Other	64		
6/2/2004	12684	Super Tech Filter Corp	Other	157		
6/2/2004	12685	Top Hat Supply Company	Other	141		
6/2/2004	12686	Troemner, LLC	Other	152		
6/2/2004	12687	ULINE	Other	143		
6/2/2004	12688	USFilter	Other	70		
6/2/2004	12689	V W R Scientific, Inc.	Equipment & lab supplies	4,163		
6/2/2004	12690	Vision Service Plan	Other	186		
6/2/2004	12691	W W Grainger, Inc.	Other	190		
6/2/2004	12692	Western States Sales, Inc.	Other	243		
6/4/2004	12693	6800 Broadway Business Center, LLC	June Rent & CAM Clear Creek	24,400		
6/4/2004	12694	Woodspear Properties	June Rent & CAM Gunbarrel	17,116		
6/7/2004	12695	Cambridge Isotope Laboratories, Inc	Other	15		
6/8/2004	12696	Agilent Technologies	Equipment	593		
6/8/2004	12697	Aramark	Other	22		
6/8/2004	12698	bioMERIEUX VITEK, INC.	Other	160		
6/8/2004	12699	Corporate Express	Other	232		
6/8/2004	12700	Cynthia S. Thompson	Mileage Reimbursement	69		
6/8/2004	12701	Jeol USA, Inc.	Monthly Service Contract	1,560		
6/8/2004	12702	Linweld, Inc.	Other	341		

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Interim Statement
Statement Number: 15

For the period:

FROM: 6/1/2004
TO: 6/30/2004

Date of Disbursement	Check Number	Payee	Purpose	General Account	Payroll Account	Tax Account
6/8/2004	12703	National Registry of Microbiologists	Other	50		
6/8/2004	12704	Nelson Laboratories, Inc.	Other	90		
6/8/2004	12705	Sigma-Aldrich	Chemicals for Project	1,477		
6/8/2004	12706	Todd Klimkowsky	Mileage Reimbursement	209		
6/8/2004	12707	V W R Scientific, Inc.	Project Supplies	1,045		
6/8/2004	12708	Biopharma Compliance Services, LLC	Contract Project Services	3,120		
6/8/2004	12709	Waters Corporation	Two months Monthly Service Contract	5,369		
6/22/2004	12710	Adam Flick	Mileage Reimbursement	116		
6/22/2004	12711	Ben Hughes	Mileage Reimbursement	135		
6/22/2004	12712	CGLIC-Phoenix EASC	June Medical Insurance Premium	24,149		
6/22/2004	12713	Dairy Engineering	Equipment for Project	705		
6/22/2004	12714	David Clark	Meal Expense/Mileage	119		
6/22/2004	12715	Denver Reserve	Section 125 Deductions from pay	1,379		
6/22/2004	12716	Federal Express	Shipping & Freight	453		
6/22/2004	12717	Linweld, Inc.	Other	478		
6/22/2004	12718	Mtech	Equipment Repair	2,358		
6/22/2004	12719	North Pecos Water & Sanitation	Other	24		
6/22/2004	12720	Orkin Exterminating	Other	133		
6/22/2004	12721	Postmaster/North Pecos Branch	Other	19		
6/22/2004	12722	Pure Water Solutions, Inc.	Other	191		
6/22/2004	12723	Restek Corporation	Other	210		
6/22/2004	12724	Service Uniform Rental - DV	Other	88		
6/22/2004	12725	Sigma-Aldrich	Other	135		
6/22/2004	12726	V W R Scientific, Inc.	Equipment & lab supplies	982		
6/22/2004	12727	Xcel Energy (CC)	Utilities for Clear Creek	8,801		
6/22/2004	12728	Xcel Energy (GB)	Utilities for Gunbarrel	2,019		
6/10/2004	Wire Tmsf	Putnam Transfer (401k)	401 K Deposit	5,763		
6/24/2004	Wire Tmsf	Putnam Transfer (401k)	401 K Deposit	5,781		
6/12/2004	Wire Tmsf	Payroll 6-10 - Direct Deposit	Payroll & Payroll Taxes	40,002		
6/13/2004	Pyrl Cks	Payroll 6-10 - Taxes	Payroll & Payroll Taxes	20,673		
6/13/2004	Wire Tmsf	Payroll 6-10 - Checks	Payroll & Payroll Taxes	9,456		
6/23/2004	Wire Tmsf	Payroll 6-24 - Direct Deposit	Payroll & Payroll Taxes	40,211		
6/24/2004	Wire Tmsf	Payroll 6-24 - Taxes	Payroll & Payroll Taxes	20,767		
6/24/2004	Wire Tmsf	Payroll 6-24 - Checks	Payroll & Payroll Taxes	9,456		
6/7/2004	Wire Tmsf	ADP Processing Fee	Payroll Processing Fee	512		
6/18/2004	Wire Tmsf	ADP Processing Fee	Payroll Processing Fee	207		
6/22/2004	Acnt Tmsf	Wells Fargo	# Bank Fee	551		
TOTAL DISBURSEMENTS on this page (Total will automatically carry to p1)				283,905	0	

COPY

Office of the United States Trustee

In re: Botanicals International Extracts Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18788-BB

Debtor In Possession Operating Report

Report Number: 15

For the period-

FROM: June 1, 2004
TO: June 30, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	-	-
Overdue - 31 - 60 Days	-	-
Overdue - 61 - 90 Days	-	-
Overdue - 91 - 120 Days	-	-
Overdue - Over 121 Days	548	414,290
TOTAL	548	414,290

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: _____

N/A

Gross Sales Subject to Sales Tax for Period: _____

N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes			N/A
State Payroll and Withholding Taxes			N/A
State Sales and Use Taxes			-
Real Property Taxes			-

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation Liability				
Fire and Extended Coverage Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

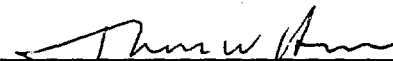
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003	None	\$ 250	8/1/2003	\$ 250	3902	\$ -
9/30/2003	5,332,810	\$ 250	11/20/2003	\$ 250	4690	\$ -
9/30/2003	5,332,810	\$ 7,750	12/29/2003	\$ 7,750	4888	\$ -
12/31/2003	9,581,934	\$ 12,000	2/26/2004	\$ 12,000	5165	\$ -
3/31/2004	202,506	\$ 1,250	5/5/2004	\$ 1,250	5322	\$ -

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: July 14, 2004


 Debtor in Possession or Trustee
 Secretary/Treasurer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	8/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	St. Paul/Acordia	See Below	6/1/2005	8/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	1,135,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	6/1/2005	8/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	6/1/2005	8/1/2004

Botanicals International Extracts, Inc.

June 30, 2004
(dollars in thousands)

	Current Month Actual	Three Months Ended Year-to-date Actual
Sales	210	570
Cost of Sales	4	4
Gross margin	<u>206</u>	<u>566</u>
Sales and marketing	-	-
G & A expenses	-	-
Total	<u>-</u>	<u>-</u>
Contribution	<u>206</u>	<u>566</u>
Corporate Services	-	-
Operating income (loss)	<u>206</u>	<u>566</u>
Interest expense	-	-
Profit (Loss) before Other Income (Expense) & Discontinued Operation	<u>206</u>	<u>566</u>
Gain/(Loss) on Disposal of Assets	-	-
Chapter 11 Reorganization Costs	-	-
Profit (loss) before tax	<u>206</u>	<u>566</u>
Income taxes	-	-
Net income (loss)	<u>206</u>	<u>566</u>

In re: Botanicals International Extracts Inc.
A Delaware Corporation

Debtor In Possession Operating Report
Report Number: 15

Miscellaneous Operating Expenses		
Total Miscellaneous Operating Expenses		

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		

COPY

Office of the United States Trustee

In re: Hauser Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18795-BB

Debtor In Possession Operating Report

Report Number: 15

For the period-

FROM: June 1, 2004
TO: June 30, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:			
INCOME			
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:			
INCOME			
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	1,120	-
Overdue - 31 - 60 Days	130	30,000
Overdue - 61 - 90 Days	-	-
Overdue - 91 - 120 Days	(4,906)	-
Overdue - Over 121 Days	3,219	369,169
TOTAL	(438)	399,169

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
GE Capital	Monthly	198	2/12/2004	1	198
Bay 4 Capital	Monthly	1,000	7/15/2004		

* Explanation for Non-Payment:

The Hauser equipment under the GE Capital lease has been returned and we are awaiting a final reconciliation of amounts due.

4. Tax Liability:

Gross Payroll Expense for Period:

Gross Sales Subject to Sales Tax for Period:

N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		291
Real Property Taxes			

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☒ YES (Explain:)
☐ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☒ YES (Explain:)
☐ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Stutman, Treister & Glatt	Attorney	\$ 989,000
Kaye Scholer LLP	Attorney	\$ 462,500
Hogan & Hartson, LLP	Attorney	\$ 97,000
Wilkie Farr & Gallagher	Attorney	\$ 66,000
Deloitte & Touche LLP	Accountant	\$ 58,500
FTI	Accountant	\$ 50,000
Peitzman, Glassman, Weg & Kempinsky LLP	Attorney	\$ 47,000
Mack Barclay	Accountant	\$ 11,000
BDO Seidman	Accountant	\$ 10,000

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

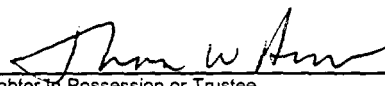
9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owed
6/30/2004	6,997,191	\$ 10,000	8/7/2003	\$ 10,000	3946	\$ -
9/30/2004	3,108,371	\$ 10,000	11/6/2003	\$ 10,000	4630	\$ -
12/31/2004	3,447,790	\$ 6,000	2/26/2004	\$ 6,000	5161	\$ -
3/31/2004	1,185,120	\$ 5,000	5/5/2004	\$ 5,000	5321	\$ -

I, (Name/Title:) Thomas W. Hanlon, Chief Financial Officer declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: July 14, 2004


Debtor In Possession or Trustee
Chief Financial Officer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	8/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	St. Paul/Acordia	See Below	6/1/2005	8/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	1,135,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	6/1/2005	8/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	6/1/2005	8/1/2004

In re: Hauser Inc.
A Delaware Corporation

Debtor In Possession Operating Report
Report Number: 15

Hauser, Inc.
June 30, 2004
(dollars in thousands)

	Current Month <u>Actual</u>	Three Months Ended Year-to-date <u>Actual</u>
Sales	\$0	\$30
Cost of Sales	<u>\$0</u>	<u>\$30</u>
Gross margin	0	0
Sales and marketing	0	0
G & A expenses	<u>89</u>	<u>301</u>
Total Operating Cost	<u>89</u>	<u>301</u>
Contribution	<u>(89)</u>	<u>(301)</u>
Corporate Services	<u>(20)</u>	<u>(60)</u>
Operating income (loss)	<u>(69)</u>	<u>(241)</u>
New products expense	0	0
Interest expense	<u>0</u>	<u>0</u>
Profit (Loss) before Other Income	<u>(69)</u>	<u>(241)</u>
Gain/Loss on Sale of Equipment	11	19
Income from Discontinued Operations	0	150
Chapter 11 Reorganization Costs	<u>(105)</u>	<u>(365)</u>
Profit (loss) before tax	<u>(164)</u>	<u>(436)</u>
Income taxes	<u>-</u>	<u>-</u>
Net income (loss)	<u><u>(\$164)</u></u>	<u><u>(\$436)</u></u>

In re: Hauser Inc.
A Delaware Corporation

Debtor In Possession Operating Report
Report Number: 15

Miscellaneous Operating Expenses		
Total Miscellaneous Operating Expenses		

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		

In re: Hauser Technical Services, Inc.
A Delaware Corporation

Debtor

Chapter 11 Case No: LA 03-18798-BB

Debtor In Possession Operating Report
Report Number: 15
For the period-
FROM: June 1, 2004
TO: June 30, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:			
		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
	Net Sales		
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
	Cost of Goods Sold		
	Gross Profit		
Other Operating Revenues - Rentals			
	Total Income		
		EXPENSES	
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
	Total Employee wages, benefits, and pensions		
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
	Total Taxes		
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
	Total other operating costs & Expenses		
	Total Operating Expenses		
	Net Gain/Loss from Business Operations		
B. Not Related to Business Operations:			
		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
	Net Gain/Loss on Sale of Assets		
	Total Non-Operating Income		
		EXPENSES	
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
	Total Non-Operating Expenses		
	Net Gain/Loss Not from Business Operations		
	NET INCOME / LOSS FOR PERIOD		

See Attached Sheet

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	114,150	224,394
Overdue - 31 - 60 Days	16,890	153,285
Overdue - 61 - 90 Days		6,351
Overdue - 91 - 120 Days		80,000
Overdue - Over 121 Days		
TOTAL	131,040	464,030

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
US Filter	Semi-annual	110	11/4/2004	None	
US Filter	Quarterly	70	7/24/2004	None	
GE Capital	Monthly	589	7/12/2004	None	
Advanced Trailer Leasing	Monthly	134	7/14/2004	None	
Pure Water	Monthly	264	7/16/2004	None	
Quantum	Monthly	355	7/30/2004	None	
6800 Broadway Bsn Ctr	Monthly	26,672	8/1/2004	None	
Woodspear Properties	Monthly	17,116	8/1/2004	None	

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: 144,806
Gross Sales Subject to Sales Tax for Period: N/A

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	by - 6/30/2004	36,486	-
State Payroll and Withholding Taxes	by - 6/30/2004	4,954	-
State Sales and Use Taxes	by - 7/20/2004	-	401
Real Property Taxes			

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation				
Liability				
Fire and Extended Coverage				
Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

None


9. Quarterly Fees*

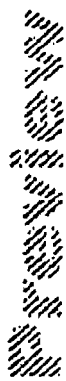
*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003	1,287,397	5,000	8/12/2003	5,000	11613	0
9/30/2003	1,444,749	5,000	11/6/2003	5,000	11986	0
12/31/2003	1,284,036	5,000	2/12/2004	5,000	12324	0
3/31/2004	1,066,177	5,000	5/6/2004	5,000	12603	0

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated:
July 14, 2004


Debtor In Possession or Trustee
Title - Secretary / Treasurer



Statistical Summary
Paycap

HAUSER TECH SERVICES

Company Code: MBA
Payroll Name: DESERT MOUNTAIN

Batch : 6528

Quarter Number: 2

Period Ending : 06/05/2004 Week 24

Pay Date : 06/10/2004

Current Date : 06/07/2004

Utility	Trans Debited	
Remap		
Federal Income Tax		7,578.20
Carried Income Credit Adjustment		.00
Social Security - EE		4,304.97
Social Security - ER		4,304.97
Social Security Adj. - EE		.00
Medicare - EE		1,008.83
Medicare - ER		1,008.83
Medicare Adj. - EE		.00
Federal Unemployment Tax		.00
State Income Tax		2,464.00
State Unemployment Insurance - EE		.00
State Unemployment Insurance - ER		28.24
State Unemployment Insurance Adj. - EE		.00
State Disability Insurance - EE		.00
State Disability Insurance Adj. - EE		.00
Workers' Benefit Fund Assessment - EE		.00
Workers' Benefit Fund Assessment - ER		.00
Local Income Tax		.00
School District Tax		.00
Total Taxes Debited	Account Number 4945086361	20,672.64
Other Transfers		
ADP Direct Deposit	Account Number 4945086361	40,002.19
Total Amount Debited From Your Account		60,674.83
Bank Debits and		
Other Liability		
Checks		9,455.62
Adjustments/Payroll/Voluc		.00
Taxes - Your		
Responsibility		
From This Payroll		70,130.45
Total Liability		70,130.45



Net Pay		Directs	9,455.62	
		Direct Deposits	40,002.19	
		Subtotal Net Pay		49,457.81
		Adjustments	.00	
		Total Net Pay Liability Net Cash		49,457.81
Federal		You are responsible for Depositing these amounts		
		Agency	Rate	Amount debited from your account
		Federal Income Tax	ER 24.14%	EL withheld 7,578.70
		Earned Income Credit Advances		
		Social Security		4,304.99
		Medicare		1,008.83
		Federal Unemployment Tax		
		Subtotal Federal		5,313.80
		CD State Income Tax		16,202.30
		CO State Unemployment/Disability Ins-BA	2.0100	
		Subtotal CO		26.34
		Total Taxes		26.34
		Amount ADP Debited From Account	49,457.81	20,672.64
		Trans/ABA	121000240	
Other		ADP Direct Deposit		40,002.19
		Amount ADP Debited From Account	49,457.81	40,002.19
		Trans/ABA	121000240	
		Total Amount ADP Debited From Your Accounts		60,674.83

Excludes Taxes That are Your Responsibility

35 Employee Transactions

Liability	Taxes Debited	
Federal Income Tax	7,015.50	
Federal Income Credit Advance	.00	
Social Security - EE	4,323.14	
Social Security - ER	4,323.14	
Medicare - EE	.00	
Medicare - ER	1,011.04	
Medicare Adm. - EE	.00	
Medicare Adm. - ER	1,011.04	
Federal Unemployment Tax	.00	
State Income Tax	2,467.00	
State Unemployment Insurance - EE	.00	
State Unemployment Insurance - ER	26.62	
State Unemployment Insurance Adm. - EE	.00	
State Unemployment Insurance Adm. - ER	.00	
State Disability Insurance - EE	.00	
State Disability Insurance Adm. - EE	.00	
Workers' Benefit Fund Assessment - EE	.00	
Workers' Benefit Fund Assessment - ER	.00	
Local Income Tax	.00	
School District Tax	.00	
Total Taxes Debited	20,767.44	
ADP Direct Deposit	50,211.33	
Total Amount Debited From Your Account	60,978.77	
Bank Debits and Other Liability		
Checks	8,455.61	
Adjustments Payroll/Voice	.00	
Taxes - Year		
Responsibility		
Total Liability		70,434.40

HAUSER TECH SERVICES

Period Ending : 06/19/2004 Week 26
 Pay Date : 06/24/2004 Page 1
 Current Date : 06/21/2004

Batch : 8095
 Quarter Number: 2

ADP Statistical Summary
Recap

Company Code: MBA
 Region Name: DESERT MOUNTAIN

Net Pay		Direct	9,456.63	
		Direct Deposits	40,211.33	
		Subtotal Net Pay		49,668.96
		Adjustments	.00	
		Total Net Pay Liability (Net Cash)		49,668.96
Taxes				
Federal	Agency	You are responsible for Depositing these amounts	EE withheld	Amount withheld from your account
	Federal Income Tax			7,815.50
	Federal Income Credit Allowance			4,323.16
	Social Security			1,031.06
	Medicare			1,011.08
State	Federal Unemployment Tax			
	Subtotal Federal		12,949.70	6,334.22
	CD State Income Tax		2,487.00	
	CO State Unemployment Ins-ER	2.0200		26.52
	Subtotal CO		2,487.00	2,483.52
Total Taxes			15,406.70	5,360.74
Amount ADP Debited From Account		4845086361	Trans/ABA	121000248
				20,787.44
QTR1 ADP Direct Deposit			40,211.33	
Transfers		Amount ADP Debited From Account	4845086361	Trans/ABA
				121000248
Total Amount ADP Debited From Your Accounts				60,978.77

Excludes Taxes That Are Your Responsibility

30 Employed Transactions

HAUSER TECH SERVICES

Company Code: MBA
Region Name: DESERT MOUNTAIN

Statistical Summary



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Period Ending : 06/19/2004 Week 26
Pay Date : 06/24/2004 Page 2
Current Date : 06/21/2004

Batch : 8095
Quarter Number: 2

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	8/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	St. Paul/Acordia	See Below	6/1/2005	8/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	1,135,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	6/1/2005	8/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt.Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	6/1/2005	8/1/2004

Hauser Technical Services
Hauser Contract Research Organization
Summary Income Statement
June 30, 2004
(dollars in thousands)

	<u>Month</u> Actual	<u>Year-to-date</u> Actual
Sales	\$153	\$581
Cost of sales	261	903
Gross margin	<u>(108)</u>	<u>(322)</u>
Sales and marketing	7	23
G & A expenses	<u>18</u>	<u>59</u>
Total	<u>25</u>	<u>82</u>
Contribution	(133)	(404)
Corporate Services	<u>20</u>	<u>60</u>
Operating income (loss)	<u>(153)</u>	<u>(464)</u>
Interest expense	0	0
Reorganization Costs	0	(5)
Profit (loss) before tax	<u>(153)</u>	<u>(\$469)</u>

**In re: Hauser Technical Services, Inc.
A Delaware Corporation**

Debtor In Possession Operating Report
Report Number: 15

[illegible]

Legal and Professional Fees		
	None	
Total Legal and Professional Fees		

Other Non-Operating Expenses		
	None	
Total Other Non-Operating Expenses		

COPY

Office of the United States Trustee

In re: Zetapharm Inc.
A New York Corporation

Debtor

Chapter 11 Case No: LA 03-18802-BB

Debtor In Possession Operating Report

Report Number: 15

For the period-

FROM: June 1, 2004
TO: June 30, 2004

1. Profit and Loss Statement (Accrual Basis Only)

A. Related in Business Operations:		INCOME	
Gross Sales			
(Sales Returns and Discounts)			
Net Sales			
Beginning Inventory at Cost			
Add: Purchases			
Less: Ending Inventory at Cost			
Cost of Goods Sold			
Gross Profit			
Other Operating Revenues - Rentals			
Total Income			
EXPENSES			
Officer Compensation			
Salaries and Wages - Other Employees			
Employee Benefits and Pensions			
Total Employee wages, benefits, and pensions			
Payroll Taxes			
Real Estate Taxes			
Federal and State Income Taxes			
Total Taxes			
Rent and Lease Exp. (Real and Personal Property)			
Interest Expense (Mortgage, Loan, etc.)			
Insurance			
Automobile Expense			
Utilities (Gas, Electricity, Water, Telephone, etc.)			
Depreciation and Amortization			
Repairs and Maintenance			
Advertising			
Supplies, Office Expenses, Photocopies, etc.			
Bad Debts			
Miscellaneous Operating Expenses (See Attached)			
Total other operating costs & Expenses			
Total Operating Expenses			
Net Gain/Loss from Business Operations			
B. Not Related to Business Operations:		INCOME	
Interest Income			
Other Non-Operating Revenues (Specify)			
Gross Proceeds on Sale of Assets			
Less: Original Cost of Assets plus Expenses of Sale			
Net Gain/Loss on Sale of Assets			
Total Non-Operating Income			
EXPENSES			
Legal and Professional Fees (Specify)			
Other Non-Operating Expenses (Specify)			
Total Non-Operating Expenses			
Net Gain/Loss Not from Business Operations			
NET INCOME / LOSS FOR PERIOD			

No activity for this period

2. Aging of Accounts Payable and Accounts Receivable*

*exclude pre-petition accounts payable

	Accounts Payable	Accounts Receivable
Current - Under 30 Days	None	-
Overdue - 31 - 60 Days		-
Overdue - 61 - 90 Days		-
Overdue - 91 - 120 Days		-
Overdue - Over 121 Days		19,525
TOTAL	-	19,525

3. Statement of Status of Payments to Secured Creditors and Lessors:

Creditor/Lessor	Frequency of Payments per Contract/Lease (i.e. mo/qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made*	
				Number	Amount
None					

* Explanation for Non-Payment: _____

4. Tax Liability:

Gross Payroll Expense for Period: None
 Gross Sales Subject to Sales Tax for Period: None

Type of Tax	Date Paid	Amount Paid*	Post-Petition Taxes Still Owing
Federal Payroll and Withholding Taxes	None		
State Payroll and Withholding Taxes	None		
State Sales and Use Taxes	None		
Real Property Taxes	None		

* Attach photocopies of depository receipts from taxing authorities or financial institutions to verify that such deposits or payments have been made.

5. Insurance Coverage:

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation Liability				
Fire and Extended Coverage Property				
Theft				
Life (list beneficiary)				
Vehicle				
Other (specify)				

Please see attachment for insurance coverage

6. Questions:

A. Has the Debtor in Possession provided compensation to any officers, directors, shareholders, or other principals without the approval of the Office of the United States Trustee?

☐ YES (Explain:)
☒ NO

Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its pre-petition unsecured debt except as have been authorized by the Court?

☐ YES (Explain:)
☒ NO

7. Statement of Unpaid Professional Fees (Post-Petition Amounts only).

Name of Professional	Type of Professional (Attorney, accountant, etc.)	Total Post-Petition Amount Unpaid
Unpaid Professional Fees are listed in Hauser, Inc.'s Operating Report.		

8. Narrative Report of Significant Events and Events out of the Ordinary Course of Business*

*(Attach separate sheet if necessary) Please use this area for comments regarding the operation of the chapter 11 debtor

None


9. Quarterly Fees*

*This Fee must be paid to the United States Trustee every calendar quarter

Quarterly Period Ending	Total Disbursements for Quarter	Quarterly Fee	Date Paid	Amount Paid	Check Number	Quarterly Fee Still Owing
6/30/2003	None	\$ 250	8/1/2003	\$ 250	3903	\$ -
9/30/2003	None	\$ 250	11/6/2003	\$ 250	4630	\$ -
12/31/2003	None	\$ 250	2/26/2004	\$ 250	5166	\$ -
3/31/2004	None	\$ 250	5/4/2004	\$ 250	5323	\$ -

I, (Name/Title:) Thomas W. Hanlon, Secretary / Treasurer, declare under penalty of perjury that the information contained in the above Debtor in Possession Operating Report is true and complete to the best of my knowledge

Dated: July 14, 2004


 Debtor in Possession or Trustee
 Secretary/Treasurer

Type of Insurance	Carrier/Agent Name	Amount Of Coverage	Policy Expiration Date	Premium Paid Through Date
Workers' Compensation	Wausau Insurance/Acordia	\$1MM/\$1MM/\$1MM	4/1/2005	4/1/2005
California	Incl			
Colorado	Incl			
Liability				
HTS	Evanston Insurance/Acordia	\$1MM	2/15/2005	8/15/2004
Hauser Longmont	Nautilus/Acordia	\$1MM	cancelled	
Hauser El Segundo	Essex Insurance	\$1MM	cancelled	
Property	St. Paul/Acordia	See Below	6/1/2005	8/1/2004
Real Property	St. Paul/Acordia	1,618,532	"	"
Personal Property	St. Paul/Acordia	6,508,698	"	"
Machinery	St. Paul/Acordia	9,654,327	"	"
Business Income	St. Paul/Acordia	1,100,000	"	"
Property of Others	St. Paul/Acordia	1,135,177	"	"
Theft-Money	St. Paul/Acordia	10,000	"	"
Life (list beneficiary)				
Vehicle	St. Paul/Acordia	1,000,000	6/1/2005	8/1/2004
California	No Autos			
Other	1 vehicle in CO			
Other (specify)				
Flood & Earthquake (DIC)	Mt. Hawley/Great American/Greenwich Insurance Co/Acordia		cancelled	
D&O	XL Specialty/Acordia	10,000,000	11/1/2009	11/1/2009
Excess	St. Paul/Acordia	5,000,000	cancelled	
Employment Practices Liability	Hudson Insurance/Acordia	1,000,000	11/1/2004	11/1/2004
Cargo	St. Paul/Acordia	1,000,000	cancelled	
Foreign Liability	St. Paul/Acordia	2,000,000	cancelled	
Fiduciary	Chubb/Acordia	1,000,000	4/30/2005	4/30/2005
Crime/Employee Dishonesty	St. Paul/Acordia	200,000	6/1/2005	8/1/2004

In re: Zetapharm Inc.
A New York Corporation

Debtor In Possession Operating Report
Report Number: 15

Miscellaneous Operating Expenses		
Total Miscellaneous Operating Expenses		

Legal and Professional Fees		
Total Legal and Professional Fees		

Other Non-Operating Expenses		
Total Other Non-Operating Expenses		